

HOUSE COMMITTEE OF REFERENCE REPORT

Chair of Committee

February 20, 2024
Date

Committee on Transportation, Housing & Local Government.

After consideration on the merits, the Committee recommends the following:

HB24-1175 be amended as follows, and as so amended, be referred to the Committee of the Whole with favorable recommendation:

1 Amend printed bill, page 3, after line 8 insert:

2 "(1) "AFFORDABLE HOUSING FINANCIAL ASSISTANCE" MEANS
3 LOANS, GRANTS, EQUITY, BONDS, OR TAX CREDITS PROVIDED TO A
4 MULTIFAMILY RENTAL PROPERTY FROM ANY SOURCE TO SUPPORT THE
5 CREATION, PRESERVATION, OR REHABILITATION OF AFFORDABLE HOUSING
6 THAT, AS A CONDITION OF FUNDING, ENCUMBERS THE PROPERTY WITH A
7 RESTRICTED USE COVENANT OR SIMILAR RECORDED AGREEMENT TO
8 ENSURE AFFORDABILITY. "AFFORDABLE HOUSING FINANCIAL ASSISTANCE"
9 DOES NOT INCLUDE PROPERTIES FOR WHICH ALL RESTRICTED USE
10 COVENANTS OR AFFORDABILITY REQUIREMENTS HAVE EXPIRED AS OF JUNE
11 1, 2024."

12 Renumber succeeding subsections accordingly.

13 Page 3, line 17, strike "PUBLISHED" and substitute "ESTABLISHED".

14 Page 3, lines 18 and 19, strike "DEVELOPMENT, THE COLORADO HOUSING
15 AND FINANCE AUTHORITY, OR THE DIVISION." and substitute
16 "DEVELOPMENT."

17 Page 4, strike lines 4 through 7.

18 Renumber succeeding subsections accordingly.

19 Page 4, strike lines 9 and 10 and substitute "IS SUBJECT TO ONE OR MORE
20 RESTRICTED USE COVENANTS OR SIMILAR RECORDED AGREEMENTS TO
21 ENSURE AFFORDABILITY AND THAT IS CONSISTENT WITH AFFORDABLE

1 HOUSING FINANCIAL ASSISTANCE REQUIREMENTS."

2 Page 4, strike lines 11 through 17.

3 Renumber succeeding subsections accordingly.

4 Page 4, strike lines 24 through 27.

5 Page 5, strike lines 1 through 20 and substitute:

6 "(8) "LOCAL OR REGIONAL HOUSING AUTHORITY" MEANS A
7 HOUSING AUTHORITY CREATED PURSUANT TO SECTION 29-4-204 (1),
8 29-4-306 (1), 29-4-402, OR 29-4-503 (1).

9 (9)(a) "LONG-TERM AFFORDABLE HOUSING" MEANS HOUSING FOR
10 WHICH THE LOCAL GOVERNMENT ENSURES THAT AFFORDABILITY LEVELS
11 AT AN APPLICABLE QUALIFYING PROPERTY ARE ON AVERAGE EQUAL TO OR
12 GREATER THAN PREEXISTING LEVELS AT THE APPLICABLE QUALIFYING
13 PROPERTY AND THAT THE AVERAGE ANNUAL RENTS AT THE APPLICABLE
14 QUALIFYING PROPERTY DO NOT EXCEED THE RENT FOR HOUSEHOLDS OF A
15 GIVEN SIZE AT A GIVEN AREA MEDIAN INCOME, AS ESTABLISHED
16 ANNUALLY BY THE UNITED STATES DEPARTMENT OF HOUSING AND URBAN
17 DEVELOPMENT, FOR A MINIMUM OF FORTY YEARS, AND FOR WHICH THE
18 LOCAL GOVERNMENT AGREES NOT TO RAISE RENT FOR ANY UNIT IN THE
19 APPLICABLE QUALIFYING PROPERTY BY MORE THAN THE RENT INCREASE
20 CAP; EXCEPT THAT THE RENT INCREASE CAP DOES NOT APPLY TO UNITS OF
21 HOUSING THAT ARE SUBJECT TO RENT OR INCOME LIMITS ESTABLISHED
22 PURSUANT TO LOCAL, STATE, FEDERAL, OR POLITICAL SUBDIVISION
23 AFFORDABLE HOUSING PROGRAM GUIDELINES.

24 (b) NOTHING IN THIS SUBSECTION (9) PREVENTS A LOCAL
25 GOVERNMENT FROM PROVIDING AFFORDABILITY REQUIREMENTS BEYOND
26 FORTY YEARS OR FOR UNITS TO BE AFFORDABLE TO RENTERS WITH
27 INCOMES BELOW EXISTING AFFORDABILITY LEVELS, IN WHICH CASE THE
28 LOCAL GOVERNMENT'S REQUIREMENTS APPLY FOR PURPOSES OF THE
29 DEFINITION OF "LONG-TERM AFFORDABLE HOUSING" AS SET FORTH IN
30 SUBSECTION (9)(a) OF THIS SECTION."

31 Page 6, line 11, strike "AN" and substitute "THE FEE SIMPLE".

32 Page 6, line 12, after "PROPERTY." add "IF THERE IS MORE THAN ONE FEE
33 SIMPLE OWNER OF AN APPLICABLE QUALIFYING PROPERTY, EACH FEE
34 SIMPLE OWNER IS REFERRED TO IN THIS PART 12 JOINTLY AND SEVERALLY
35 AS THE "RESIDENTIAL SELLER"."

- 1 Page 6, strike lines 13 through 22.
- 2 Page 7, line 25, strike "FINANCED." and substitute "FINANCED IF THE
3 LOCAL GOVERNMENT HAS SECURED THE FINANCING OR DEMONSTRATES
4 APPROVAL OF THE FINANCING IN CONNECTION WITH MAKING THE OFFER."
- 5 Page 8, line 10, after "METHOD;" insert "EXCEPT THAT, THE LOCAL
6 GOVERNMENT MUST BE ABLE TO DEMONSTRATE THAT ITS FINANCING OR
7 PAYMENT METHOD HAS BEEN APPROVED;"
- 8 Page 9, line 4, after "PRIVATE ENTITY," insert "A QUASI-GOVERNMENTAL
9 ENTITY,"
- 10 Page 9, line 9, strike "PROPERTY." and substitute "PROPERTY EITHER
11 DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE."
- 12 Page 9, line 18, strike "UPON" and substitute "IF THE PROPOSED ASSIGNEE
13 ACCEPTS THE ASSIGNMENT OF THE RIGHT OF FIRST REFUSAL IN WRITING,
14 UPON".
- 15 Page 9, strike lines 26 and 27.
- 16 Page 10, strike lines 1 through 11 and substitute:
- 17 (g) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE
18 RIGHT TO WAIVE THE RIGHT OF FIRST REFUSAL PROVIDED IN THIS SECTION.
19 (II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS
20 WAIVED ITS RIGHT OF FIRST REFUSAL, IT SHALL POST A NOTICE IN A
21 CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A
22 WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES
23 WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH
24 THIS SECTION.
25 (B) THE NOTICE POSTED IN ACCORDANCE WITH SUBSECTION
26 (2)(g)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE
27 MONTHS AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT
28 EXPIRES, IF ANY.
29 (C) FAILURE TO POST NOTICE PURSUANT TO THIS SUBSECTION
30 (2)(g)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT
31 OF FIRST REFUSAL."
- 32 Page 10, line 12, strike "(I)" and substitute "(I) (A)".
- 33 Page 10, line 13, strike "AN" and substitute "THE LAST REMAINING".

1 Page 10, line 15, after "THE" add "COLORADO HOUSING AND FINANCE
2 AUTHORITY AND THE".

3 Page 10, strike lines 18 through 25 and substitute: "NOTICE MUST INCLUDE
4 THE DATE OF EXPIRATION OF THE LAST REMAINING AFFORDABILITY
5 RESTRICTION AND CONTACT INFORMATION FOR THE RESIDENTIAL SELLER.

6 (B) NOTWITHSTANDING SUBSECTION (3)(a)(I)(A) OF THIS SECTION,
7 WHETHER NOTICE IS PROVIDED PURSUANT TO SUBSECTION (3)(a)(I)(A) OF
8 THIS SECTION IS NOT RELEVANT TO DETERMINING A RESIDENTIAL SELLER'S
9 OR LOCAL GOVERNMENT'S COMPLIANCE WITH THE REQUIREMENTS OF THIS
10 PART 12 AND IS NOT SUBJECT TO ANY PROVISIONS SET FORTH IN SECTION
11 29-4-1206. PROVISION OF THE NOTICE REQUIRED BY SUBSECTION
12 (3)(a)(I)(A) OF THIS SECTION IS NOT A TRIGGERING EVENT PURSUANT TO
13 SUBSECTION (3)(b)(I) OF THIS SECTION."

14 Page 10, line 27, strike "AN" and substitute "THE LAST REMAINING".

15 Page 11, strike lines 2 through 5 and substitute "PROVIDE NOTICE TO THE
16 COLORADO HOUSING AND FINANCE AUTHORITY AND THE GOVERNING
17 BODY OF THE LOCAL GOVERNMENT IN WHICH THE QUALIFYING PROPERTY
18 IS LOCATED OF THE EXPIRATION OF SUCH RESTRICTIONS. THE NOTICE MUST
19 INDICATE WHETHER THE RESIDENTIAL SELLER ANTICIPATES THAT IT WILL
20 EITHER RECAPITALIZE AND CONTINUE TO OPERATE THE QUALIFYING
21 PROPERTY AT AFFORDABILITY LEVELS AT LEAST ON AVERAGE EQUAL TO
22 WHAT HAS BEEN PROVIDED AT THE QUALIFYING PROPERTY, RETAIN
23 OWNERSHIP OF THE QUALIFYING PROPERTY AND LET AFFORDABILITY
24 REQUIREMENTS EXPIRE, OR SELL THE QUALIFYING PROPERTY UPON
25 EXPIRATION OF THE RESTRICTIONS.

26 (III) THE NOTICES PROVIDED TO THE COLORADO HOUSING AND
27 FINANCE AUTHORITY PURSUANT TO THIS SUBSECTION (3)(a) DO NOT
28 CREATE AN OBLIGATION OR REQUIREMENT FOR THE COLORADO HOUSING
29 AND FINANCE AUTHORITY TO TAKE ACTION WITH RESPECT TO THE
30 QUALIFYING PROPERTY OR TO PROVIDE ANY ENFORCEMENT OR
31 COMPLIANCE MONITORING OF ANY REQUIREMENTS OF THIS PART 12."

32 Page 11, line 10, strike "LOCATED." and substitute "LOCATED AND SHALL
33 MAKE A GOOD FAITH EFFORT TO ENSURE THE NOTICE IS RECEIVED BY THE
34 LOCAL GOVERNMENT."

35 Page 12, line 7, after "PROPERTY;" add "EXCEPT THAT, ANY ACTION TAKEN
36 TO ENGAGE WITH A POLITICAL SUBDIVISION OR A HOUSING AUTHORITY IN
37 THE STATE TO FACILITATE NEGOTIATIONS BETWEEN THE RESIDENTIAL
38 SELLER AND A THIRD-PARTY TO CREATE OR PRESERVE AFFORDABLE

- 1 HOUSING FOR A QUALIFYING PROPERTY IS NOT A TRIGGERING EVENT UNTIL
2 ANOTHER ACTION SET FORTH IN THIS SUBSECTION (3)(b)(I) OCCURS."
- 3 Page 13, line 24, after "DELIVERED" add "TO THE APPLICABLE
4 REPRESENTATIVE OF THE COLORADO HOUSING AND FINANCE AUTHORITY
5 AND".
- 6 Page 13, line 25, strike "GOVERNMENT" and substitute "GOVERNMENT, AS
7 APPLICABLE,".
- 8 Page 13, line 26, after "FOR" insert "THE APPLICABLE REPRESENTATIVE
9 OR".
- 10 Page 14, line 19, after "SHALL" add "MAKE A GOOD FAITH EFFORT TO".
- 11 Page 14, line 20, strike "WITHIN" and substitute "AS SOON AS POSSIBLE
12 BUT NOT LATER THAN".
- 13 Page 14, line 22, strike "INTENT TO" and substitute "INTENT, WITH
14 RESPECT TO THE QUALIFYING PROPERTY THAT IS THE SUBJECT OF THE
15 NOTICE, TO EITHER".
- 16 Page 14, strike lines 23 through 26 and substitute "REFUSAL PROVIDED IN
17 THIS SECTION OR WAIVE ITS RIGHT OF FIRST REFUSAL. THE NOTICE MUST
18 BE DELIVERED BY".
- 19 Page 15, after line 12 add:
- 20 "(IV) IF THE LOCAL GOVERNMENT INTENDS TO ASSIGN ITS RIGHT
21 OF FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS
22 SECTION, THE LOCAL GOVERNMENT MUST DISCLOSE THE POTENTIAL
23 ASSIGNEE IN THE NOTICE REQUIRED PURSUANT TO SUBSECTION (4)(a)(I) OF
24 THIS SECTION AND PROVIDE A COPY OF THE NOTICE TO THE PROPOSED
25 ASSIGNEE, FOR THE PROPOSED ASSIGNEE'S CONSIDERATION IN
26 DETERMINING WHETHER TO ACCEPT THE ASSIGNMENT."
- 27 Page 17, line 24, strike "SELLER." and substitute "SELLER OR THE LOCAL
28 GOVERNMENT'S ASSIGNEE AND THE RESIDENTIAL SELLER."
- 29 Page 18, line 2, strike "OBTAINING FINANCING" and substitute "CLOSING
30 ON FINANCING THAT THE LOCAL GOVERNMENT OR ITS ASSIGNEE HAS
31 ALREADY BEEN APPROVED FOR".

1 Page 18, line 4, strike "DELAY;" and substitute "DELAY SUBJECT TO THE
2 REQUIREMENTS SET FORTH IN SUBSECTION (6)(c) OF THIS SECTION;"

3 Page 18, lines 5 through 6, strike "THE ATTORNEY GENERAL, OR A
4 MISSION-DRIVEN ORGANIZATION" and substitute "OR THE ATTORNEY
5 GENERAL".

6 Page 18, after line 10 add:

7 "(c) (I) FOR THE TOLLING PERIOD SET FORTH IN SUBSECTION
8 (6)(b)(I) OF THIS SECTION TO EXTEND TO THE FULL PERIOD OF A
9 REASONABLE DELAY, A LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL
10 DELIVER WITHIN FIVE BUSINESS DAYS OF THE FIRST DAY OF THE TOLLING
11 PERIOD EARNEST MONEY IN AN AMOUNT NOT TO EXCEED ONE HUNDRED
12 THOUSAND DOLLARS THAT IS PAYABLE TO THE RESIDENTIAL SELLER AND
13 HELD BY A TITLE COMPANY, UNLESS THE PARTIES MUTUALLY AGREE TO AN
14 ALTERNATIVE DEADLINE FOR THE PAYMENT OF THE EARNEST MONEY. THE
15 LOCAL GOVERNMENT OR ITS ASSIGNEE AND THE RESIDENTIAL SELLER ARE
16 NOT REQUIRED TO HAVE ENTERED INTO A CONTRACT TO BUY AND SELL
17 REAL ESTATE FOR EARNEST MONEY TO BE DELIVERED. FAILURE TO TIMELY
18 DELIVER THE EARNEST MONEY IN ACCORDANCE WITH THIS SUBSECTION
19 (6)(c)(I) CONSTITUTES WAIVER OF THE LOCAL GOVERNMENT'S RIGHT OF
20 FIRST REFUSAL TO PURCHASE THE QUALIFYING PROPERTY.

21 (II) IF THE LOCAL GOVERNMENT OR ITS ASSIGNEE WAIVES ITS
22 RIGHT OF FIRST REFUSAL IN ACCORDANCE WITH SUBSECTION (6)(c)(I) OF
23 THIS SECTION OR TERMINATES THE PURCHASE OF THE QUALIFYING
24 PROPERTY DURING THE TOLLING PERIOD, THE LOCAL GOVERNMENT OR ITS
25 ASSIGNEE FORFEITS THE EARNEST MONEY IN FULL AND THE LOCAL
26 GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE AND RETURN TO THE
27 RESIDENTIAL SELLER AN EARNEST MONEY RELEASE FORM WITHIN FIVE
28 BUSINESS DAYS OF THE LOCAL GOVERNMENT OR ITS ASSIGNEE PROVIDING
29 NOTICE OF THE WAIVER OR TERMINATION TO THE RESIDENTIAL SELLER.
30 THE TITLE COMPANY THAT IS HOLDING THE EARNEST MONEY IN ESCROW
31 SHALL RELEASE THE EARNEST MONEY TO THE RESIDENTIAL SELLER UPON
32 RECEIPT OF A FULLY EXECUTED EARNEST MONEY RELEASE FORM.

33 (III) IF THE TOLLING PERIOD SET FORTH IN SUBSECTION (6)(b)(I) OF
34 THIS SECTION ENDS AND THE PERIODS SET FORTH IN SUBSECTION (5)(a) OF
35 THIS SECTION RESUME, THEN THE LOCAL GOVERNMENT OR ITS ASSIGNEE
36 AND THE RESIDENTIAL SELLER SHALL AUTHORIZE THE EARNEST MONEY TO
37 BE DELIVERED FOR DEPOSIT TO THE ENTITY THAT IS CONDUCTING THE
38 TRANSACTION FOR CLOSING ON THE QUALIFYING PROPERTY AT OR BEFORE
39 THE DATE OF THE CLOSING.

40 (IV) THE TITLE COMPANY THAT HOLDS THE EARNEST MONEY IN

1 ESCROW PURSUANT TO THIS SUBSECTION (6)(c) SHALL TRANSMIT ANY
2 INTEREST THAT ACCRUES IN CONNECTION WITH THE ESCROW MONEY TO
3 THE STATE TREASURER, WHO SHALL CREDIT THE INTEREST TO THE
4 HOUSING DEVELOPMENT GRANT FUND THAT IS CREATED IN SECTION
5 24-32-721 (1), AND THE LOCAL GOVERNMENT OR ITS ASSIGNEE AND THE
6 RESIDENTIAL SELLER HAVE NO RIGHT TO THE INTEREST THAT ACCRUES IN
7 CONNECTION WITH THE MONEY THAT IS HELD IN ESCROW.

8 (7) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
9 DAYS OF RECEIPT OF NOTICE REQUIRED BY EITHER SUBSECTION (3)(b) OR
10 (3)(c) OF THIS SECTION OR, IF THE LOCAL GOVERNMENT INTENDS TO
11 EXERCISE ITS RIGHT OF FIRST REFUSAL, WITHIN FOURTEEN CALENDAR
12 DAYS OF EITHER ACCEPTANCE BY A RESIDENTIAL SELLER OF THE LOCAL
13 GOVERNMENT'S OFFER OR REJECTION BY A RESIDENTIAL SELLER OF THE
14 LOCAL GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (5)(b) OF
15 THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL EXECUTE
16 AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL PROPERTY
17 RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY IS
18 SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME OF
19 THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING
20 PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS
21 COMPLIED WITH ALL APPLICABLE PROVISIONS OF THIS SECTION. THE
22 RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE
23 RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE
24 RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN
25 INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER,
26 AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102(11).".

27 Renumber succeeding subsection accordingly.

28 Page 18, lines 12 and 13, strike "EQUAL OR GREATER AFFORDABILITY
29 LEVELS TO" and substitute "AFFORDABILITY LEVELS THAT ARE ON
30 AVERAGE EQUAL TO OR GREATER THAN".

31 Page 18, lines 15 and 16, strike "TENANT QUALIFICATIONS FOR A GIVEN
32 AREA MEDIAN INCOME." and substitute "THE AREA MEDIAN INCOMES USED
33 TO DETERMINE RENT AND INCOME LIMITS.".

34 Page 19, strike lines 21 through 25.

35 Reletter succeeding paragraphs accordingly.

36 Page 20, line 11, after "PRIVATE ENTITY," insert "A
37 QUASI-GOVERNMENTAL ENTITY,".

- 1 Page 20, line 16, strike "PROPERTY." and substitute "PROPERTY EITHER
2 DIRECTLY OR THROUGH A SPECIAL PURPOSE ENTITY OR AFFILIATE.".
- 3 Page 20, line 18, before "HOUSING" insert "LOCAL OR REGIONAL".
- 4 Page 20, strike lines 19 and 20.
- 5 Page 20, line 21, strike "JURISDICTION," and substitute "AUTHORITY".
- 6 Page 20, line 25, strike "UPON" and substitute "THE ASSIGNEE MUST
7 IMMEDIATELY NOTIFY THE RESIDENTIAL SELLER OF ANY ASSIGNMENT
8 PURSUANT TO THIS SUBSECTION (2)(d), AND THE NOTICE MUST INCLUDE
9 THE ASSIGNEE'S ADDRESS TO RECEIVE ANY NOTICES THAT THE
10 RESIDENTIAL SELLER IS REQUIRED TO SEND IN ACCORDANCE WITH THIS
11 SECTION. THE LOCAL GOVERNMENT REMAINS LIABLE FOR OBLIGATIONS
12 PURSUANT TO THIS PART 12 ACCRUING PRIOR TO THE ASSIGNMENT AND
13 UPON".
- 14 Page 21, line 1, strike "12" and substitute "12, IN EACH CASE ACCRUING
15 FROM AND AFTER THE ASSIGNMENT,".
- 16 Page 21, after line 3 add:
- 17 (e) (I) THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS THE
18 RIGHT TO WAIVE THE RIGHT OF FIRST OFFER PROVIDED IN THIS SECTION.
- 19 (II) (A) IF THE GOVERNING BODY OF A LOCAL GOVERNMENT HAS
20 WAIVED ITS RIGHT OF FIRST OFFER, IT SHALL POST A NOTICE IN A
21 CONSPICUOUS LOCATION ON ITS WEBSITE INDICATING THAT THERE IS A
22 WAIVER AND THAT RESIDENTIAL SELLERS WITH QUALIFYING PROPERTIES
23 WITHIN ITS JURISDICTION DO NOT HAVE AN OBLIGATION TO COMPLY WITH
24 THIS SECTION.
- 25 (B) THE NOTICE POSTED IN ACCORDANCE WITH SUBSECTION
26 (2)(e)(II)(A) OF THIS SECTION MUST BE EFFECTIVE FOR AT LEAST THREE
27 MONTHS AFTER IT IS POSTED AND MUST EXPLICITLY STATE THE DATE IT
28 EXPIRES, IF ANY.
- 29 (C) FAILURE TO POST NOTICE PURSUANT TO THIS SUBSECTION
30 (2)(e)(II) DOES NOT OTHERWISE AFFECT THE LOCAL GOVERNMENT'S RIGHT
31 OF FIRST OFFER.
- 32 (f) NOTWITHSTANDING ANYTHING IN THIS SECTION TO THE
33 CONTRARY, AT ANY TIME PRIOR TO THE RESIDENTIAL SELLER AND THE
34 LOCAL GOVERNMENT ENTERING INTO A CONTRACT FOR THE PURCHASE OF
35 THE QUALIFYING PROPERTY BY THE LOCAL GOVERNMENT, THE
36 RESIDENTIAL SELLER MAY REJECT THE LOCAL GOVERNMENT'S OFFER AND

1 OTHERWISE TERMINATE NEGOTIATIONS WITH THE LOCAL GOVERNMENT.
2 (g) IF THE LOCAL GOVERNMENT WAIVES OR IS DEEMED TO HAVE
3 WAIVED ITS RIGHT OF FIRST OFFER IN ACCORDANCE WITH SUBSECTION
4 (2)(e) OF THIS SECTION OR IF A RESIDENTIAL SELLER REJECTS THE LOCAL
5 GOVERNMENT'S OFFER IN ACCORDANCE WITH SUBSECTION (2)(f) OF THIS
6 SECTION, THE RESIDENTIAL SELLER HAS NO OBLIGATION TO PROVIDE
7 INITIAL OR ADDITIONAL NOTICE, AS APPLICABLE, TO THE LOCAL
8 GOVERNMENT OR OTHERWISE OFFER OR RE-OFFER, AS APPLICABLE, THE
9 QUALIFYING PROPERTY TO THE LOCAL GOVERNMENT PURSUANT TO ANY
10 PROVISION OF THIS SECTION UNLESS A TRANSACTION FOR THE SALE OF THE
11 QUALIFYING PROPERTY DOES NOT CLOSE WITHIN TWELVE MONTHS OF
12 EITHER THE LOCAL GOVERNMENT'S WAIVER OR DEEMED WAIVER OR
13 REJECTION BY THE RESIDENTIAL SELLER OF THE LOCAL GOVERNMENT'S
14 OFFER, WHICHEVER IS EARLIER; EXCEPT THAT, IF THE CONTRACT FOR SALE
15 TO A THIRD PARTY HAS A DURATION LONGER THAN TWELVE MONTHS, THEN
16 THE TWELVE MONTH PERIOD IS EXTENDED TO MATCH THE TERM OF THE
17 CONTRACT.

18 (3) **Notice requirements generally.** (a) (I) ANY NOTICES
19 REQUIRED TO BE PROVIDED TO THE LOCAL GOVERNMENT PURSUANT TO
20 THIS SECTION MUST BE DELIVERED TO THE CLERK OF THE GOVERNING
21 BODY OF THE LOCAL GOVERNMENT BY ELECTRONIC MAIL; EXCEPT THAT IF
22 THERE IS NOT AN ELECTRONIC MAILING ADDRESS AVAILABLE FOR THE
23 CLERK, THEN BY HAND DELIVERY, UNITED STATES FIRST CLASS MAIL, OR
24 OVERNIGHT DELIVERY.

25 (II) NOTWITHSTANDING SUBSECTION (3)(a)(I) OF THIS SECTION, IF
26 THE LOCAL GOVERNMENT ASSIGNS ITS RIGHT OF FIRST OFFER AND THE
27 ASSIGNEE PROVIDES NOTICE OF THE ASSIGNMENT TO THE RESIDENTIAL
28 SELLER PURSUANT TO SUBSECTION (2)(d) OF THIS SECTION, THEN UPON
29 AND AFTER RECEIPT OF NOTICE OF THE ASSIGNMENT, THE RESIDENTIAL
30 SELLER SHALL SEND BY ELECTRONIC MAIL ANY REQUIRED NOTICES
31 PURSUANT TO THIS SECTION TO THE ADDRESSES SPECIFIED BY THE
32 ASSIGNEE; EXCEPT THAT, IF THERE IS NOT AN ELECTRONIC MAILING
33 ADDRESS PROVIDED BY THE ASSIGNEE, THEN BY HAND DELIVERY, UNITED
34 STATES FIRST CLASS MAIL, OR OVERNIGHT DELIVERY.

35 (b) ANY NOTICES PROVIDED TO THE RESIDENTIAL SELLER
36 PURSUANT TO THIS SECTION MUST BE DELIVERED TO THE PHYSICAL
37 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER IN ACCORDANCE WITH
38 SUBSECTION (4)(a)(II) OF THIS SECTION OR, UPON ELECTION BY THE
39 RESIDENTIAL SELLER, BY ELECTRONIC MAIL TO THE ELECTRONIC MAILING
40 ADDRESS PROVIDED BY THE RESIDENTIAL SELLER TO THE LOCAL
41 GOVERNMENT.

42 (c) ANY NOTICE PROVIDED PURSUANT TO THIS SECTION IS DEEMED
43 DELIVERED ON THE DATE IT IS SENT BY ELECTRONIC MAIL, THE DATE IT IS

1 HAND DELIVERED, THE DATE AFTER THE DAY IT IS DEPOSITED FOR
2 DELIVERY BY OVERNIGHT DELIVERY, OR THE DATE THAT IS TWO BUSINESS
3 DAYS AFTER THE DAY IT IS DEPOSITED IN THE UNITED STATES MAIL, AS
4 APPLICABLE."

5 Renumber succeeding subsections accordingly.

6 Page 21, line 4, strike "seller." and substitute "**seller, local government's**
7 **intent, and nondisclosure agreement.**".

8 Page 21, line 5, after "SELLER" insert "ENTERS INTO AN AGREEMENT WITH
9 A LICENSED BROKER TO SOLICIT AND PROCURE PURCHASERS FOR A
10 QUALIFYING PROPERTY OR OTHERWISE" and strike "SALE," and substitute
11 "SALE ON THE MULTIPLE LISTING SERVICE,".

12 Page 21, strike lines 9 through 15 and substitute:

13 "(b) THE LOCAL GOVERNMENT HAS SEVEN CALENDAR DAYS FROM
14 THE DATE OF RECEIVING THE NOTICE REQUIRED BY SUBSECTION (4)(a) OF
15 THIS SECTION TO PROVIDE A WRITTEN RESPONSE TO THE RESIDENTIAL
16 SELLER INDICATING THAT THE LOCAL GOVERNMENT EITHER:

17 (I) IS INTERESTED IN RECEIVING DUE DILIGENCE INFORMATION ON
18 THE QUALIFYING PROPERTY SO THAT IT CAN EVALUATE WHETHER IT
19 WANTS TO MAKE AN OFFER TO PURCHASE THE QUALIFYING PROPERTY,
20 WHICH RESPONSE MUST CONTAIN A NONDISCLOSURE AGREEMENT IN A
21 FORM ACCEPTABLE TO THE RESIDENTIAL SELLER THAT THE LOCAL
22 GOVERNMENT HAS EXECUTED; OR

23 (II) WAIVES ANY RIGHT OF THE LOCAL GOVERNMENT TO PURCHASE
24 THE QUALIFYING PROPERTY.

25 (c) IF THE LOCAL GOVERNMENT DOES NOT RESPOND WITHIN THE
26 SEVEN-DAY PERIOD REQUIRED BY SUBSECTION (4)(b) OF THIS SECTION, IT
27 IS DEEMED TO HAVE WAIVED ITS RIGHT OF FIRST OFFER WITH RESPECT TO
28 THE QUALIFYING PROPERTY.

29 (5) **Residential seller's notice of terms.** (a) IF THE LOCAL
30 GOVERNMENT PROVIDES NOTICE IN ACCORDANCE WITH SUBSECTION (4)(b)
31 OF THIS SECTION, THE RESIDENTIAL SELLER HAS FIVE CALENDAR DAYS
32 FROM RECEIPT OF THE NOTICE TO PROVIDE A NOTICE TO THE LOCAL
33 GOVERNMENT THAT INCLUDES:

34 (I) THE ADDRESS AND NAME OF THE QUALIFYING PROPERTY, IF
35 ANY, AND THE LEGAL DESCRIPTION OF THE QUALIFYING PROPERTY;"

36 Renumber succeeding subsections accordingly.

- 1 Page 21, strike lines 19 through 27.
- 2 Page 22, strike lines 1 through 10 and substitute:
- 3 "(III) A RENT ROLL FOR THE QUALIFYING PROPERTY SHOWING THE
4 AMOUNT OF RENT CHARGED TO TENANTS AT THE QUALIFYING PROPERTY;
5 (IV) THE VACANCY RATE, OPERATING EXPENSES AND INCOME, AND
6 COMMON AREA AMENITIES AT THE QUALIFYING PROPERTY;
7 (V) ANY MARKETING MATERIALS THAT THE RESIDENTIAL SELLER
8 HAS PREPARED ON OR BEFORE THE DATE OF SUCH NOTICE AND
9 ANTICIPATES USING IN CONNECTION WITH LISTING THE QUALIFYING
10 PROPERTY FOR SALE;
11 (VI) A CURRENT TITLE COMMITMENT; AND
12 (VII) THE RESIDENTIAL SELLER'S EXECUTED VERSION OF THE
13 NONDISCLOSURE AGREEMENT."
- 14 Reletter succeeding paragraphs accordingly.
- 15 Page 22, line 11, strike "THE" and substitute "SUBJECT TO AND PURSUANT
16 TO THE NONDISCLOSURE AGREEMENT EXECUTED IN ACCORDANCE WITH
17 SUBSECTION (4)(b) OF THIS SECTION, THE".
- 18 Page 22, line 12, strike "(3)" and substitute "(5)".
- 19 Page 22, strike lines 18 through 27 and substitute "MUST BE KEPT
20 CONFIDENTIAL AND IS CONFIDENTIAL INFORMATION NOT SUBJECT TO
21 PUBLIC DISCLOSURE".
- 22 Page 23, strike lines 1 through 7.
- 23 Page 23, line 10, strike "(3)(a)" and substitute "(5)(a)".
- 24 Page 23, strike lines 13 through 18 and substitute "SETTING FORTH THE
25 PRICE, TERMS, AND CONDITIONS OF THE OFFER; OR".
- 26 Page 23, strike lines 21 through 26 and substitute:
- 27 "(b) IF THE LOCAL GOVERNMENT DOES NOT PROVIDE A RESPONSE
28 WITHIN THE FOURTEEN-DAY PERIOD SET FORTH IN SUBSECTION (6)(a) OF
29 THIS SECTION, THE LOCAL GOVERNMENT'S RIGHT OF FIRST OFFER IS
30 DEEMED WAIVED".
- 31 Page 24, strike lines 1 through 3 and substitute "FOURTEEN CALENDAR

1 DAYS AFTER RECEIPT OF THE LOCAL GOVERNMENT'S OFFER MADE
2 PURSUANT TO SUBSECTION (6)(a)(I) OF THIS SECTION TO NOTIFY THE
3 LOCAL GOVERNMENT THAT IT EITHER ACCEPTS OR REJECTS THE OFFER.
4 DURING THIS".

5 Page 24, line 7, after the period add "IF THE RESIDENTIAL SELLER DOES
6 NOT PROVIDE NOTICE OF ITS ACCEPTANCE OR REJECTION OF THE LOCAL
7 GOVERNMENT'S OFFER IN THE FOURTEEN DAY PERIOD PURSUANT TO THIS
8 SUBSECTION (7)(a), THE OFFER IS DEEMED REJECTED."

9 Page 24, strike lines 10 through 27.

10 Page 25, strike lines 1 through 18 and substitute "LOCAL GOVERNMENT,
11 THE LOCAL GOVERNMENT AND THE RESIDENTIAL SELLER HAVE THIRTY
12 CALENDAR DAYS AFTER THE DATE OF THE RESIDENTIAL SELLER'S RECEIPT
13 OF THE LOCAL GOVERNMENT'S NOTICE PROVIDED IN ACCORDANCE WITH
14 SUBSECTION (6)(a)(I) OF THIS SECTION TO NEGOTIATE AND EXECUTE A
15 CONTRACT FOR THE PURCHASE OF THE QUALIFYING PROPERTY BY THE
16 LOCAL GOVERNMENT. THE CONTRACT MUST REQUIRE THE TRANSACTION
17 TO CLOSE NO LATER THAN SIXTY DAYS AFTER ITS EXECUTION, UNLESS
18 BOTH PARTIES AGREE TO OTHER TERMS.

19 (8) **Certificate of compliance.** WITHIN FOURTEEN CALENDAR
20 DAYS OF RECEIPT OF NOTICE REQUIRED BY SUBSECTION (4)(a) OF THIS
21 SECTION UNLESS THE LOCAL GOVERNMENT PROVIDES NOTICE PURSUANT
22 TO SUBSECTION (4)(b) OF THIS SECTION AND THEN WITHIN FOURTEEN
23 CALENDAR DAYS OF RECEIPT OF THE NOTICE REQUIRED BY SUBSECTION
24 (5)(a) OF THIS SECTION, THE LOCAL GOVERNMENT OR ITS ASSIGNEE SHALL
25 EXECUTE AND RECORD A CERTIFICATE OF COMPLIANCE IN THE REAL
26 PROPERTY RECORDS OF THE COUNTY IN WHICH THE QUALIFYING PROPERTY
27 IS SITUATED. THE CERTIFICATE OF COMPLIANCE MUST INCLUDE THE NAME
28 OF THE RESIDENTIAL SELLER, A LEGAL DESCRIPTION OF THE QUALIFYING
29 PROPERTY, AND A STATEMENT THAT THE RESIDENTIAL SELLER HAS
30 COMPLIED WITH ALL THE APPLICABLE PROVISIONS OF THIS SECTION. THE
31 RECORDED CERTIFICATE OF COMPLIANCE IS PRIMA FACIE EVIDENCE OF THE
32 RESIDENTIAL SELLER'S COMPLIANCE WITH THIS SECTION AND MAY BE
33 RELIED UPON BY A RESIDENTIAL SELLER, ANY PERSON CLAIMING AN
34 INTEREST IN THE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER,
35 AND A TITLE INSURANCE ENTITY, AS DEFINED IN SECTION 10-11-102(11)".

36 Renumber succeeding subsection accordingly.

37 Page 26, line 13, strike "LONG-TERM".

1 Page 26, line 24, after the period insert "NOTHING IN THIS PART 12
2 OVERRIDES ANY LOCAL AFFORDABLE HOUSING LAWS."

3 Page 27, strike lines 1 through 5 and substitute:

4 "(a) MADE TO, IF WHOLLY OR MAJORITY OWNED BY, BENEFICIALLY
5 HELD, ALL OR IN PART, IN COMMON WITH, OR UNDER COMMON OWNERSHIP
6 OR CONTROL WITH THE RESIDENTIAL SELLER, ONE OR MORE PARTNERSHIPS,
7 LIMITED LIABILITY COMPANIES, CORPORATIONS, OR OTHER ENTITIES, OR
8 MADE FOR TAX OR ESTATE PURPOSES BETWEEN CLOSELY HELD PARTNERS,
9 MEMBERS OF ONE OR MORE LIMITED LIABILITY COMPANIES, MEMBERS OF
10 ONE OR MORE CORPORATIONS, OR MEMBERS, TRUSTEES, MANAGERS, OR
11 PARTNERS OF ONE OR MORE OTHER ENTITIES;"

12 Page 27, line 9, strike "A NOT-FOR-PROFIT, MISSION-DRIVEN" and
13 substitute "AN".

14 Page 27, strike lines 11 through 14 and substitute "THE APPLICABLE
15 QUALIFYING PROPERTY AND COMMITS TO PROVIDING LONG-TERM
16 AFFORDABLE HOUSING;"

17 Page 27, strike lines 20 through 25 and substitute "DEED IN LIEU OF
18 FORECLOSURE; OR

19 (e) IF, AT THE TIME OF THE EFFECTIVE DATE OF THIS PART 12, THE".

20 Page 27, line 27, strike "REFUSAL" and substitute "REFUSAL, RIGHT OF
21 FIRST OFFER,"

22 Page 28, strike lines 4 through 12 and substitute "PROPERTY BY THE
23 RESIDENTIAL SELLER; OR

24 (f) IF THE RESIDENTIAL SELLER HAS APPLIED FOR, IS IN THE
25 PROCESS OF, OR HAS SUCCESSFULLY RESYNDICATED OR RECAPITALIZED
26 THE QUALIFYING PROPERTY IN CONNECTION WITH AN AFFORDABLE
27 HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR LOCAL
28 GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY, AND
29 THE RESIDENTIAL SELLER PROVIDES NOTICE AND DEMONSTRABLE
30 EVIDENCE OF THIS TO THE LOCAL GOVERNMENT; EXCEPT THAT, IF THE
31 RESIDENTIAL SELLER IS NOT SUCCESSFUL IN RESYNDICATING OR
32 RECAPITALIZING A QUALIFYING PROPERTY IN CONNECTION WITH AN
33 AFFORDABLE HOUSING PROGRAM OFFERED BY THE FEDERAL, STATE, OR
34 LOCAL GOVERNMENT OR A POLITICAL SUBDIVISION OR ANY PUBLIC ENTITY
35 THEN THE RIGHT OF FIRST REFUSAL OR THE RIGHT OF FIRST OFFER, AS
36 APPLICABLE, AND THE REQUIREMENTS SET FORTH IN THIS PART 12 APPLY."

- 1 Renumber succeeding subsection accordingly.
- 2 Page 28, line 24, strike "DOMAIN;" and substitute "DOMAIN OR IN
3 RESPONSE TO A THREAT OF EMINENT DOMAIN;".
- 4
- 5 Page 28, line 26, strike "OR".
- 6 Page 29, line 1, strike "TWENTY" and substitute "THIRTY".
- 7 Page 29, line 3, strike "SALE." and substitute "SALE;".
- 8 Page 29, after line 3 add:
- 9 "(VIII) IF THE QUALIFYING PROPERTY IS BEING SOLD,
10 TRANSFERRED, OR CONVEYED AS PART OF A TRANSACTION INVOLVING
11 MULTIPLE PROPERTIES WHICH INCLUDES AT LEAST ONE PROPERTY
12 LOCATED IN A JURISDICTION THAT IS OUTSIDE OF THE JURISDICTION OF THE
13 LOCAL GOVERNMENT;
- 14 (IX) THAT DOES NOT INVOLVE THE SALE, TRANSFER, OR
15 CONVEYANCE OF ALL OR SUBSTANTIALLY ALL OF THE QUALIFYING
16 PROPERTY; OR
- 17 (X) THAT IS A SALE, TRANSFER, OR CONVEYANCE, DIRECTLY OR
18 INDIRECTLY, OF OWNERSHIP INTERESTS IN THE RESIDENTIAL SELLER."
- 19 Page 29, line 4, strike "(3)" and substitute "(2)".
- 20 Page 29, strike lines 12 through 14.
- 21 Reletter succeeding paragraph accordingly.
- 22 Page 29, strike lines 16 and 17 and substitute "OR THE LOCAL
23 GOVERNMENT'S ASSIGNEE MAY BRING A CIVIL ACTION".
- 24 Page 29, lines 18 and 19, strike "OR A PERSON CLAIMING AN INTEREST IN
25 AN APPLICABLE QUALIFYING PROPERTY THROUGH A RESIDENTIAL SELLER".
- 26 Page 29, after line 20 insert:
- 27 "(c) THE REMEDIES FOR ANY ACTION BROUGHT PURSUANT TO THIS
28 SUBSECTION (1) ARE LIMITED TO MONETARY DAMAGES AND STATUTORY
29 PENALTIES AGAINST THE RESIDENTIAL SELLER. ANY PERSON CLAIMING AN
30 INTEREST IN AN APPLICABLE QUALIFYING PROPERTY THROUGH A
31 RESIDENTIAL SELLER SHALL TAKE TITLE TO THE APPLICABLE QUALIFYING

- 1 PROPERTY FREE OF ANY RIGHTS OR CLAIMS SET FORTH IN THIS PART 12."
- 2 Page 29, strike lines 21 through 27.
- 3 Page 30, strike line 1.
- 4 Renumber succeeding subsections accordingly.
- 5 Page 30, strike lines 3 through 5 and substitute "VIOLATION OF THIS PART
6 12, THE COURT SHALL AWARD A STATUTORY PENALTY THAT IS NOT LESS
7 THAN TEN THOUSAND DOLLARS FOR A FIRST OFFENSE AND NOT LESS THAN
8 THIRTY THOUSAND DOLLARS FOR ANY SUBSEQUENT OFFENSES; EXCEPT
9 THAT THE COURT SHALL NOT AWARD A STATUTORY PENALTY THAT IS
10 MORE THAN ONE HUNDRED THOUSAND DOLLARS."
- 11 Page 30, lines 6 and 7, strike "DAMAGES, REASONABLE ATTORNEY FEES,"
12 and substitute "REASONABLE ATTORNEY FEES".
- 13 Page 30, line 7, strike "PARTY; EXCEPT THAT," and substitute "PARTY."
- 14 Page 30, strike lines 8 through 16.
- 15 Page 30, line 17, strike "INDEPENDENT".
- 16 Page 30, strike lines 18 through 20 and substitute "THE SOLE AND
17 EXCLUSIVE REMEDIES PURSUANT TO A CIVIL ACTION BROUGHT PURSUANT
18 TO THIS SECTION FOR A VIOLATION OF THIS PART 12 BY A RESIDENTIAL
19 SELLER."
- 20 Strike "(7)(a)" and substitute "(8)(a)" on: **Page 18**, line 21; and **Page 19**,
21 line 3.
- 22 Strike "(1)(c)" and substitute "(1)(b)" on: **Page 29**, lines 7 and 11.

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